

AMENDED IN ASSEMBLY APRIL 9, 2008

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 3034

Introduced by Assembly Members Galgiani and Ma
(Principal coauthor: Assembly Member Davis)
(Coauthor: Assembly Member Aghazarian)
(Coauthor: Senator Steinberg)

February 22, 2008

An act to amend Sections 2704.04, 2704.06, 2704.08, 2704.09, and 2704.095 of the Streets and Highways Code, and to amend Sections 1, 3, and 4 of Chapter 697 of the Statutes of 2002, relating to transportation, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 3034, as amended, Galgiani. Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century.

Existing law, Chapter 697 of the Statutes of 2002, as amended by Chapter 71 of the Statutes of 2004 and Chapter 44 of the Statutes of 2006, provides for submission of the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century to the voters for approval at the November 4, 2008, general election. Subject to voter approval, the act would provide for the issuance of \$9.95 billion of general obligation bonds, \$9 billion of which would be available in conjunction with any available federal funds for planning and construction of a high-speed train system pursuant to the business plan of the High-Speed Rail Authority, and \$950 million of which would be available for capital projects on other passenger rail lines to provide connectivity to the high-speed train system and for capacity enhancements and safety improvements to those lines.

This bill would make various revisions to the bond act to be submitted to the voters. The bill would refer to construction of a high-speed train system consistent with the authority's certified environmental impact report of November 2005, rather than with the final business plan of June 2000. The bill would revise the descriptions of route-segments *corridors* of the proposed high-speed train system. The bill would require excess revenues from operation of the high-speed train system beyond the amount needed for high-speed train purposes, as ~~defined~~ *determined by the authority, to be used to finance construction of the high-speed train system, and any remaining revenue* to be deposited in the General Fund. The bill would require that not more than 10% of bond proceeds be used for environmental studies, planning, and *preliminary* engineering activities, and would require the authority to have a detailed funding plan for each segment of the system that identifies the full cost of construction and the sources of revenues for that segment, prior to awarding a construction contract for the segment. The bill would require the authority to give priority in selecting ~~each specific segment~~ *segments* for construction to those segments that *are expected to* require the least amount of bond funds as a percentage of total cost of construction, among other considerations.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 1 of Chapter 697 of the Statutes of 2002,
- 2 as amended by Section 1 of Chapter 71 of the Statutes of 2004, is
- 3 amended to read:
- 4 Section 1. (a) The continuing growth in California's population
- 5 and the resulting increase in traffic congestion, air pollution,
- 6 greenhouse gas emissions, and ~~loss of land~~ *the continuation of*
- 7 *urban sprawl* make it imperative that the state proceed quickly to
- 8 construct a state-of-the-art high-speed passenger train ~~network~~
- 9 *system* to serve major metropolitan areas.
- 10 (b) The High-Speed Rail Authority, after extensive studies and
- 11 analysis, proposes the construction of a ~~new~~ high-speed train
- 12 ~~network~~ *system* that serves major population centers in the state
- 13 and that links regional and local transit systems to form an

1 integrated transportation ~~network~~ *system* throughout the state. The
2 ~~network~~ *system* will link all of the state's major population centers,
3 including Sacramento, the Bay Area, the ~~Central Valley~~ *central*
4 *valley*, Los Angeles, the Inland Empire, Orange County, and San
5 Diego.

6 (c) The high-speed train ~~network~~ *system* proposed by the
7 authority will cost about one-third of what it would cost to provide
8 the same level of mobility and service with highway and airport
9 improvements and will contribute significantly toward a reduction
10 in air pollution and global warming.

11 (d) The high-speed train ~~network~~ *system*, once it is completed
12 and becomes operational, will contribute significantly toward the
13 goal of reducing greenhouse gas emissions and other air pollutants
14 and will help reduce California's dependence on foreign energy
15 sources.

16 (e) The high-speed passenger train bond funds are intended to
17 encourage the federal government and the private sector to make
18 a significant contribution toward the construction of the high-speed
19 train ~~network~~ *system*.

20 (f) It is the intent of the Legislature that the entire high-speed
21 train system shall be constructed as quickly as possible in order
22 to maximize ridership and the mobility of Californians, and that
23 it be completed no later than 2020, and that all phases shall be
24 built in a manner that yields maximum benefit consistent with
25 available revenues.

26 SEC. 2. Section 2704.04 of the Streets and Highways Code,
27 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
28 amended to read:

29 2704.04. (a) It is the intent of the Legislature by enacting this
30 chapter and of the people of California by approving the bond
31 measure pursuant to this chapter to initiate the construction of a
32 high-speed train ~~network~~ *system* consistent with the authority's
33 certified environmental impact report of November 2005.

34 (b) (1) Nine billion dollars (\$9,000,000,000) of the proceeds
35 of bonds authorized pursuant to this chapter, as well as federal
36 funds and other revenues made available to the authority, to the
37 extent consistent with federal and other fund source conditions,
38 shall be used for planning and eligible capital costs, as defined in
39 subdivision (c), for the purpose of including, but not limited to,
40 the following high-speed train system ~~segments~~ *corridors*:

1 (A) Sacramento to Stockton to Fresno.
2 (B) San Francisco Transbay Terminal to San Jose to Fresno.
3 (C) Oakland to San Jose.
4 (D) Fresno to Bakersfield to Palmdale to Los Angeles Union
5 Station to ~~Anaheim to Irvine.~~

6 (E) Los Angeles Union Station to Riverside to San Diego.

7 (F) Los Angeles Union Station to *Anaheim to Irvine.*

8 ~~(2) Revenues generated by operations above and beyond~~
9 ~~operating and maintenance costs shall be used to complete~~
10 ~~construction of the high-speed train system, as defined by the~~
11 ~~authority. If excess revenues exceed the amount needed for the~~
12 ~~high-speed train system, those revenues shall be deposited in the~~

13 *(G) Altamont Corridor connecting the central valley to the east*
14 *bay.*

15 *(2) Revenues of the authority, generated by operations of the*
16 *high-speed train system above and beyond operating and*
17 *maintenance costs and financing obligations, as determined by*
18 *the authority, shall be used to finance construction of the*
19 *high-speed train system. If, after satisfaction of the foregoing,*
20 *there remain additional revenues, those revenues shall be deposited*
21 *in the General Fund.*

22 (c) Capital costs eligible to be paid from proceeds of bonds
23 authorized for high-speed train purposes pursuant to this chapter
24 include all activities necessary for acquisition of right-of-way,
25 construction of tracks, structures, power systems, and stations,
26 purchase of rolling stock and related equipment, and other related
27 capital facilities and equipment.

28 (d) Proceeds of bonds authorized pursuant to this chapter shall
29 not be used for any operating or maintenance costs of trains or
30 facilities.

31 (e) The State Auditor shall perform periodic audits of the
32 authority's use of proceeds of bonds authorized pursuant to this
33 chapter for consistency with the requirements of this chapter.

34 SEC. 3. Section 2704.06 of the Streets and Highways Code,
35 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
36 amended to read:

37 2704.06. Nine billion dollars (\$9,000,000,000) of the money
38 in the fund, upon appropriation by the Legislature, shall be
39 available, without regard to fiscal years, for planning and
40 construction of a high-speed train system in this state, consistent

1 with the authority's certified environmental impact report of
2 November 2005, as subsequently modified pursuant to
3 environmental studies conducted by the authority.

4 SEC. 4. Section 2704.08 of the Streets and Highways Code,
5 as added by Section 2 of Chapter 697 of the Statutes of 2002, is
6 amended to read:

7 2704.08. (a) Proceeds of bonds authorized for high-speed train
8 purposes pursuant to this chapter shall not be used for more than
9 one-half of the total cost of construction of track and station costs
10 of each segment of the high-speed train system.

11 (b) Not more than 10 percent of the proceeds of bonds
12 authorized pursuant to this chapter shall be used for environmental
13 studies, planning, and *preliminary* engineering activities.

14 (c) In selecting each specific segment for construction and prior
15 to awarding a construction contract, the authority shall have a
16 detailed funding plan for that segment that identifies the full cost
17 of constructing the segment and the sources of all revenues needed
18 to complete construction of the segment.

19 (d) In selecting ~~each specific segment~~ *segments* for construction,
20 the authority shall give priority to those segments that *are expected*
21 *to* require the least amount of bond funds as a percentage of total
22 cost of construction, shall consider the utility of ~~that segment for~~
23 ~~other those segments for~~ passenger rail services *other than the*
24 *high-speed train system*, and shall ensure that any ~~other~~ passenger
25 ~~service provided on that segment will not result in any operating~~
26 ~~service other than the high-speed train system provided on those~~
27 ~~segments will not result in any unreimbursed operating or~~
28 maintenance cost to the authority.

29 SEC. 5. Section 2704.09 of the Streets and Highways Code, as
30 added by Section 2 of Chapter 697 of the Statutes of 2002, is
31 amended to read:

32 2704.09. The high-speed train system to be constructed
33 pursuant to this chapter shall have the following characteristics:

34 (a) Electric trains that are capable of sustained maximum
35 revenue operating speeds of no less than 200 miles per hour.

36 (b) Maximum ~~express nonstop~~ service travel times for each
37 corridor that shall not exceed the following:

38 (1) San Francisco-Los Angeles Union Station: two hours, 42
39 minutes.

40 (2) Oakland-Los Angeles Union Station: two hours, 42 minutes.

(3) San Francisco-San Jose: 31 minutes.

(4) San Jose-Los Angeles: two hours, 14 minutes.

(5) San Diego-Los Angeles: one hour.

(6) Inland Empire-Los Angeles: 29 minutes.

(7) Sacramento-Los Angeles: two hours, 22 minutes.

(8) Sacramento-San Jose: one hour, 12 minutes.

(c) Achievable operating headway (time between successive trains) shall be five minutes or less.

(d) The total number of stations to be served by high-speed trains for all of the ~~segments~~ *corridors* described in subdivision

(b) of Section 2704.04 shall not exceed 24. *There shall be no station between the Gilroy station and the Merced station.*

(e) Trains shall have the capability to transition intermediate stations, or to bypass those stations, at mainline operating speed.

(f) For each corridor described in subdivision (b), passengers shall have the capability of traveling from any station on that corridor to any other station on that corridor without being required to change trains.

(g) In order to reduce impacts on communities and the environment, the alignment for the high-speed train system shall follow existing transportation or utility corridors to the extent possible *and shall be financially viable, as determined by the authority.*

(h) Stations shall be located in areas with good access to local mass transit or other modes of transportation.

(i) The high-speed train system shall be planned and constructed in a manner that minimizes urban sprawl and impacts on the natural environment.

(j) Preserving wildlife corridors and mitigating impacts to wildlife movement, where feasible *as determined by the authority*, in order to limit the extent to which the system may present an additional barrier to wildlife's natural movement.

~~SEC. 5.~~

SEC. 6. Section 2704.095 of the Streets and Highways Code, as added by Section 2 of Chapter 697 of the Statutes of 2002, is amended to read:

2704.095. (a) (1) Of the proceeds of bonds authorized pursuant to this chapter, nine hundred fifty million dollars (\$950,000,000) shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems that

1 provide direct connectivity to the high-speed train system and its
2 facilities, or that are part of the construction of the high-speed train
3 system as that system is described in subdivision (b) of Section
4 2704.04, or that provide capacity enhancements and safety
5 improvements. Funds under this section shall be available upon
6 appropriation by the Legislature in the Annual Budget act for the
7 eligible purposes described in subdivision (d).

8 (2) Twenty percent (one hundred ninety million dollars
9 (\$190,000,000)) of the amount authorized by this section shall be
10 allocated for intercity rail to the Department of Transportation, for
11 state-supported intercity rail lines that provide regularly scheduled
12 service and use public funds to operate and maintain rail facilities,
13 rights-of-way, and equipment. A minimum of 25 percent of the
14 amount available under this paragraph (forty-seven million five
15 hundred thousand dollars (\$47,500,000)) shall be allocated to each
16 of the state's three intercity rail corridors.

17 The California Transportation Commission shall allocate the
18 available funds to eligible recipients consistent with this section
19 and shall develop guidelines, in consultation with the authority,
20 to implement the requirements of this section. The guidelines shall
21 include provisions for the administration of funds, including, but
22 not limited to, the authority of the intercity corridor operators to
23 loan these funds by mutual agreement between intercity rail
24 corridors.

25 (3) Eighty percent (seven hundred sixty million dollars
26 (\$760,000,000)) of the amount authorized by this section shall be
27 allocated to eligible recipients, except intercity rail, as described
28 in subdivision (c) based upon a percentage amount calculated to
29 incorporate all of the following:

30 (A) One-third of the eligible recipient's percentage share of
31 statewide track miles.

32 (B) One-third of the eligible recipient's percentage share of
33 statewide annual vehicle miles.

34 (C) One-third of the eligible recipient's percentage share of
35 statewide annual passenger trips.

36 The California Transportation Commission shall allocate the
37 available funds to eligible recipients consistent with this section
38 and shall develop guidelines to implement the requirements of this
39 section.

(b) For the purposes of this section, the following terms have the following meanings:

(1) “Track miles” means the miles of track used by a public agency or joint powers authority for regular passenger rail service.

(2) “Vehicle miles” means the total miles traveled, commencing with pullout from the maintenance depot, by all locomotives and cars operated in a train consist for passenger rail service by a public agency or joint powers authority.

(3) “Passenger trips” means the annual unlinked passenger boardings reported by a public agency or joint powers authority for regular passenger rail service.

(4) “Statewide” when used to modify the terms in paragraphs (A), (B), and (C) of paragraph (3) of subdivision (a) means the combined total of those amounts for all eligible recipients.

(c) Eligible recipients for funding under paragraph (3) of subdivision (a) shall be public agencies and joint powers authorities that operate regularly scheduled passenger rail service in the following categories:

(1) Commuter rail.

(2) Light rail.

(3) Heavy rail.

(4) Cable car.

(d) Funds allocated pursuant to this section shall be used for connectivity with the high-speed train system or for the rehabilitation or modernization of, or safety improvements to, tracks utilized for public passenger rail service, signals, structures, facilities, and rolling stock.

(e) Eligible recipients may use the funds for any eligible rail element set forth in subdivision (d).

(f) In order to be eligible for funding under this section, an eligible recipient under paragraph (3) of subdivision (a) shall provide matching funds in an amount not less than the total amount allocated to the recipient under this section.

(g) An eligible recipient of funding under paragraph (3) of subdivision (a) shall certify that it has met its matching funds requirement, and all other requirements of this section, by resolution of its governing board, subject to verification by the California Transportation Commission.

(h) Funds made available to an eligible recipient under paragraph (3) of subdivision (a) shall supplement existing local, state, or

1 federal revenues being used for maintenance or rehabilitation of
2 the passenger rail system. Eligible recipients of funding under
3 paragraph (3) of subdivision (a) shall maintain their existing
4 commitment of local, state, or federal funds for these purposes in
5 order to remain eligible for allocation and expenditure of the
6 additional funding made available by this section.

7 (i) In order to receive any allocation under this section, an
8 eligible recipient under paragraph (3) of subdivision (a) shall
9 annually expend from existing local, state, or federal revenues
10 being used for the maintenance or rehabilitation of the passenger
11 rail system in an amount not less than the annual average of its
12 expenditures from local revenues for those purposes during the
13 1998–99, 1999–2000, and 2000–01 fiscal years.

14 (j) Funds allocated pursuant to this section to the Southern
15 California Regional Rail Authority for eligible projects within its
16 service area shall be apportioned each fiscal year in accordance
17 with memorandums of understanding to be executed between the
18 Southern California Regional Rail Authority and its member
19 agencies. The memorandum or memorandums of understanding
20 shall take into account the passenger service needs of the Southern
21 California Regional Rail Authority and of the member agencies,
22 revenue attributable to member agencies, and separate contributions
23 to the Southern California Regional Rail Authority from the
24 member agencies.

25 ~~SEC. 6.~~

26 *SEC. 7.* Section 3 of Chapter 697 of the Statutes of 2002, as
27 amended by Section 3 of Chapter 44 of the Statutes of 2006, is
28 amended to read:

29 *Sec. 3.* Section 2 of Chapter 697 of the Statutes of 2002, as
30 amended by Sections 2 and 3 of Chapter 71 of the Statutes of 2004,
31 as further amended by Sections 1 and 2 of Chapter 44 of the
32 Statutes of 2006, and as further amended by Sections 2 to–5 6,
33 inclusive, of the act amending this section in the 2007–08 Regular
34 Session, shall take effect upon the adoption by the voters of the
35 Safe, Reliable High-Speed Passenger Train Bond Act for the 21st
36 Century, as set forth in Section 2 of Chapter 697 of the Statutes
37 of 2002, as amended by Sections 2 and 3 of Chapter 71 of the
38 Statutes of 2004, as further amended by Sections 1 and 2 of Chapter
39 44 of the Statutes of 2006, and as further amended by Sections 2

1 to-5 6, inclusive, of the act amending this section in the 2007–08
2 Regular Session.

3 ~~SEC. 7.~~

4 *SEC. 8.* Section 4 of Chapter 697 of the Statutes of 2002, as
5 amended by Section 4 of Chapter 44 of the Statutes of 2006, is
6 amended to read:

7 Sec. 4. (a) Section 2 of Chapter 697 of the Statutes of 2002,
8 as amended by Sections 2 and 3 of Chapter 71 of the Statutes of
9 2004, as further amended by Sections 1 and 2 of Chapter 44 of the
10 Statutes of 2006, and as further amended by Sections 2 to-5 6,
11 inclusive, of the act amending this section in the 2007–08 Regular
12 Session, shall be submitted to the voters at the November 4, 2008,
13 general election in accordance with provisions of the Government
14 Code and the Elections Code governing the submission of statewide
15 measures to the voters.

16 (b) Notwithstanding any other provision of law, all ballots of
17 the November 4, 2008, general election shall have printed thereon
18 and in a square thereof, exclusively, the words “Safe, Reliable
19 High-Speed Passenger Train Bond Act for the 21st Century” and
20 in the same square under those words, the following in 8-point
21 type: “This act provides for the Safe, Reliable High-Speed
22 Passenger Train Bond Act for the 21st Century. For the purpose
23 of reducing traffic on the state’s highways and roadways, upgrading
24 commuter transportation, improving people’s ability to get safely
25 from city to city, alleviating congestion at airports, reducing air
26 pollution, and providing for California’s growing population, shall
27 the state build a high-speed train system and improve existing
28 passenger rail lines serving the state’s major population centers
29 by creating a rail trust fund that will issue bonds totaling \$9.95
30 billion, paid from existing state funds at an average cost of ____
31 dollars (\$____) per year over the 30-year life of the bonds, with
32 all expenditures subject to an independent audit?” The blank space
33 in the question to appear on the ballot pursuant to this subdivision
34 shall be filled in by the Attorney General with the appropriate
35 figure provided by the Legislative Analyst relative to the annual
36 average cost of the bonds. Opposite the square, there shall be left
37 spaces in which the voters may place a cross in the manner required
38 by law to indicate whether they vote for or against the measure.

39 (c) Notwithstanding Sections 13247 and 13281 of the Elections
40 Code, the language in subdivision (b) shall be the only language

1 included in the ballot label for the condensed statement of the
2 ballot title, and the Attorney General shall not supplement, subtract
3 from, or revise that language, except that the Attorney General
4 may include the financial impact summary prepared pursuant to
5 Section 9087 of the Elections Code and Section 88003 of the
6 Government Code. The ballot label is the condensed statement of
7 the ballot title and the financial impact summary.

8 (d) Where the voting in the election is done by means of voting
9 machines used pursuant to law in the manner that carries out the
10 intent of this section, the use of the voting machines and the
11 expression of the voters' choice by means thereof are in compliance
12 with this section.

13 ~~SEC. 8.~~

14 *SEC. 9.* This act is an urgency statute necessary for the
15 immediate preservation of the public peace, health, or safety within
16 the meaning of Article IV of the Constitution and shall go into
17 immediate effect. The facts constituting the necessity are:

18 In order to modify the provisions of a general obligation bond
19 measure on the November 4, 2008, general election ballot that
20 would authorize the issuance and sale of bonds for the financing
21 of a high-speed passenger train system and for other related
22 purposes, it is necessary that this act take effect immediately.